
LEGISLATIVE OVERVIEWA New Governor

On October 7, 2003, a special election was held on the question as to whether Governor Gray Davis should be recalled from office. Prior to this event, there had been 118 attempts to recall state-level elected officials. Of those, eight qualified for the ballot: four against State Senators, three against Assembly members, and one against a Governor. Of those attempts, five were successful in recalling the elected officials, as follows:

- 1913 Senator Marshall Black - Herbert C. Jones elected successor
- 1914 Senator Edwin E. Grant - Edwin L. Wolfe elected successor
- 1994 Assemblymember Paul Horcher - Gary Miller elected successor
- 1995 Assemblymember Doris Allen - Scott Baugh elected successor
- 2003 Governor Gray Davis - Arnold Schwarzenegger elected successor

Governor Gray Davis was recalled by a vote of 56.4 percent in favor of recall to 44.6 percent against. 154 persons qualified to be on the recall ballot to succeed the Governor in the event he was recalled. Movie actor/businessman Arnold Schwarzenegger (R) won with 48.6 percent of the vote, defeating Lieutenant Governor Cruz Bustamante (D), who received 31.5 percent of the vote, State Senator Tom McClintock (R) with 13.5 percent, and Peter Camejo (Green Party) who received 2.8 percent of the vote. Other major candidates hoping to succeed Governor Davis were Ariana Huffington (I) and Peter Ueberoth (R), but both of these candidates withdrew from the race prior to the election.

Governor-elect Schwarzenegger was sworn in as Governor on November 17, 2003. During his campaign for Governor one of the major promises he made was to repeal increase of the car tax, which he accomplished by Executive Order after his swearing-in ceremony. He also committed to backfill moneys to local governments that they would lose from the repeal. The Legislature passed, and the Governor signed SB 1057 (Senate Budget and Fiscal Review Committee) which updated and corrected the definition of the vehicle license fee backfill funding gap for local governments and appropriated funds for hardship allocations.

Legislative Overview

On the same day the Governor signed proclamations calling the Legislature into three concurrent extraordinary sessions to address the following issues, the Governor promised to resolve: (1) workers' compensation, (2) undocumented immigrant driver licenses, and (3) budget reform to solve the 2003-04 Budget deficit.

California Recovery Plan

On November 18, 2003, Governor Schwarzenegger unveiled what he called the "California Recovery Plan" to solve the 2003-04 \$15 billion deficit: A constitutional spending limit and a \$15 billion General Obligation Bond. The Legislature responded on December 12, 2003 by passing AB 9XXXXX (Oropeza), and ACA 5XXXXX (Oropeza), and the Governor signed those measures the same day. These measures were placed on the March 2004 Primary Election ballot and were passed by the voters. The Legislature passed and the Governor signed, SB 1041 (Senate Budget and Fiscal Review Committee) and the Governor took administrative actions that afforded \$990 million in General Fund solutions for the 2003-04 State Budget deficit.

Driver Licenses for Undocumented Immigrants - Repeal of SB 60 (Cedillo)

In the 2003 portion of the 2003-04 Legislative Session, the Legislature passed and Governor Gray Davis signed SB 60 (Cedillo), allowing undocumented immigrants to apply for a California's driver's license or ID card. As soon as the bill was signed into law, a referendum petition was circulated to repeal SB 60. Governor Schwarzenegger indicated he would sign legislation to repeal SB 60 and work with the Latino legislative caucus to attempt to find a solution to this issue in the 2004 Session. On December 1, 2003, the Legislature passed SB 1XXX (Oller) repealing SB 60. At the end of the 2004 Session the Legislature passed AB 2895 (Nunez), which made some modifications to SB 60, but the Governor vetoed this bill, indicating it did not adequately address security concerns held by himself and the California Department of Homeland Security. The Governor wanted an identifying mark placed on the driver's license or ID card indicating that the person was an undocumented immigrant. Civil rights' groups and supporters of AB 2895 argued that such marks were a badge of discrimination.

Workers' Compensation Reform

One of the major issues which the Legislature considered in the 2004 Session was overhaul of the workers' compensation system. The Governor and the Legislature made this a high priority to attempt to bring back businesses to California which had left the

state due to what they considered excessive workers' compensation premiums being paid by the business community.

SB 899 (Poochigian) was enacted, which authorizes development of medical provider networks; establishes a system of independent medical review; provides for immediate medical treatment to all workers filing claim forms for occupational injury; authorizes collectively bargained projects on health care integration; allows for pre-designated physicians within a group health network; restores user funding and specifies use of funding for a return to work program; provides return to work incentives; provides for different permanent disability payments based on an employee's return to work; adjusts the mechanism for determining permanent disability; restores the vocational rehabilitation program for pre-2004 injuries; limits most temporary disability payments to 104 weeks; revises Labor Code Section 5814 penalty amounts; revises the statutes relating to apportionment; and requires a study of the insurance marketplace and the rate effects from legislative reform.

Other significant worker's compensation legislation enacted into law includes: SB 2XXXX (Speier), which increases penalties for committing worker's compensation insurance fraud; AB 701 (Jerome Horton) reduces worker compensation costs in the horse race industry; AB 1840 (Frommer) provides a \$250,000 death benefit payment to police officers who have no total or partial dependents, retroactive to January 1, 2003; and AB 2866 (Frommer) which requires posting of specified fraud information on the State Department of Insurance Web site for each person convicted of fraud. Attempts were made at the end of the 2004 session to deal with workers' compensation rates, but efforts became stalled in the Senate during the last night of session.

The 2004-05 State Budget - SB 1113 (Senate Budget and Fiscal Review Committee)

Governor Schwarzenegger called upon the Legislature to work in a bipartisan spirit and to pass to him a State Budget on time (June 15th). However, the State Budget was not received by the Governor until July 29th. This occurred after intense negotiations over these issues: solutions to how local government revenues would not once again be appropriated by the state in order to balance the State Budget; various health and public social services issues; education funding relative to provision of more resources for students in high-minority/low-income areas needed for a basic education; and a compromise concerning admission of students to the University of California.

The state spending plan for the 2004-05 Budget was \$105.4 billion (\$78.7 billion in General Funds, \$23.7 billion in Special Funds, and \$3 billion in selected bond funds. The Governor vetoed \$116 million from the State Budget.

The State Budget Trailer Bills were as follows:

SB 1096 (Senate Budget and Fiscal Review Committee) - Local Government: vehicle license fee

SB 1097 (Senate Budget and Fiscal Review Committee) - General Government, Technology, Trade, and Commerce Agency

SB 1098 (Senate Budget and Fiscal Review Committee) - Transportation Funding Omnibus

SB 1099 (Senate Budget and Fiscal Review Committee) - Transportation: Proposition 42 Suspension

SB 1100 (Senate Budget and Fiscal Review Committee) - Taxation

SB 1101 (Senate Budget and Fiscal Review Committee) - Education Finance: Proposition 98 Suspension

SB 1102 (Senate Budget and Fiscal Review Committee) - General Government Omnibus

SB 1103 (Senate Budget and Fiscal Review Committee) - Health Omnibus

SB 1104 (Senate Budget and Fiscal Review Committee) - Human Services Omnibus

SB 1105 (Senate Budget and Fiscal Review Committee) - Public Employee Retirement: State Employees

SB 1106 (Senate Budget and Fiscal Review Committee) - Pension Obligation Bonds

SB 1107 (Senate Budget and Fiscal Review Committee) - Resources Omnibus

SB 1108 (Senate Budget and Fiscal Review Committee) - Education Finance Omnibus

SB 1110 (Cedillo) - State Employees: Bargaining Unit 6

SB 1111 (Senate Budget and Fiscal Review Committee) - Veterans Affairs

SB 1112 (Senate Budget and Fiscal Review Committee) - State responsibility fire protection benefit fee

SB 1119 (Senate Budget and Fiscal Review Committee) - Ballot Measures: Placing SCA 4 on the November 2004 Ballot

SB 1120 (Senate Budget and Fiscal Review Committee) - Budget Act of 2003-04: (deficiency bill)

SB 1448 (Alpert) - Pupil Assessment

SB 1612 (Speier) - Restores Child Welfare Services

SB 1809 (Dunn) - Labor Code Private Attorneys General Act of 2004

SCA 4 (Torlakson) -- Local Government Constitutional Amendment

AB 1554 (Keene) - School Finance: Emergency Apportionments and Lease Financing

AB 1867 (Vargas) - Insurance Fraud Investigations: Funding

AB 2104 (Assembly Budget Committee) - Cleanup Language to the Trailer Bills

AB 2115 (Assembly Budget Committee) - Cleanup to the Local Government Trailer Bill

AB 2120 (Assembly Budget Committee) - State Contracts

AB 2121 (Assembly Budget Committee) - Water Resources

AB 2122 (Assembly Budget Committee) - Student Financial Aid

AB 2128 (Jackson) - Air Pollution

AB 3089 (Assembly Governmental Organization Committee) - Cleanup to SB 1102 Concerning Indian Gaming

The State Budget did not include any general tax increases, but was premised on: revenues from an increase in higher education and resource related fees; suspension of the teachers' tax credit; tax amnesty; and closure of a tax loophole related to the purchase of vehicles, vessels or aircraft purchased outside of California and subsequently brought back into the state within a specified time. The State Budget also: (1) contained a Local Government agreement to provide \$2.6 billion in General Fund savings (over a two-year period) to the state, while providing protection of future local government revenues; (2) suspended the Proposition 42 transfer of \$1.2 billion to transportation in 2004-05; (3) dedicated \$1.2 billion in new tribal gaming revenue for early repayment of transportation loans to the General Fund; (4) eliminated caps on enrollment for certain Medi-Cal programs; (5) eliminated the five percent rate reduction on Medi-Cal fee-for-service rates and the additional 10 percent rate reduction on all Medi-Cal rates (the five percent reduction was eliminated due to a court injunction); (6) maintained all current In-Home Supportive Services Program services and eligibility criteria; (7) retained pass-through of the federal January 2005 cost-of-living adjustment for the Supplemental Security Income/State Supplementary Program and delayed the state cost-of-living until April 2005; (8) maintained CalWORKs grants at their current level; (9) suspended the Proposition 98 minimum guarantee, saving the state nearly \$2 billion in 2004-05; (10) provided over \$36 million in General Fund monies to restore outreach programs at the University of California (\$29.3 million) and California State University (CSU) System (\$7 million), (CSU will redirect \$45 internally to restore full funding [\$52 million total] for outreach programs); (11) authorized issuance of pension obligation bonds to pay \$929 million in state retirement costs (bonds are financed through the savings generated by requiring new state employees to work for 24 months prior to joining PERS -- in 2004-05, this action reduces the state's retirement costs by \$32 million); (12) established the Public Benefit Trust Fund, and provided that an award of punitive damages be apportioned according to a specified formula (the expected budget year revenues from this proposal are \$450 million); and (13) authorized the Administration to make \$300 million in unallocated

General Fund reductions during the fiscal year (State Operations appropriations may be reduced by as much as 20 percent, and local assistance appropriations may be reduced by as much as five percent. Furthermore, no program, project, or function may be reduced by more than the designated percentage).

Local Government

A major issue in the State Budget negotiation process involved protection of local government by disallowing the practice of permitting the state to appropriate revenue from local government in order to balance the State Budget. Prior to passage of the budget, local government organizations were successful in qualifying an initiative for the November 2004 ballot, which became Proposition 65.

Proposition 65 requires voter approval for any legislation which provides for any reduction, based on January 1, 2003 levels, of local governments' vehicle license fee revenues, sales tax powers and revenues, and proportionate share of local property tax revenues. It permits local government to suspend performance of state mandates if the state fails to reimburse local government within 180 days of final determination of state-mandated obligations, except mandates requiring local governments to provide or modify: any protection, benefit or employment status to employee/retiree, or any procedural/substantive employment right for employees or employee organizations.

The Governor negotiated with local government on a compromise on this issue, but this became a stumbling block in budget negotiations when Legislative members felt they had been left out of compromise discussions. However, in the end, the Legislature, the Governor, and representatives from local government were able to come together to forge a compromise. Locals indicated they would withdraw their support of the initiative in favor of SCA 4 (Torlakson), which became Proposition 1A and the statutory legislation SB 1096 (Senate Budget and Fiscal Review Committee).

SCA 4: (1) protects local funding for public safety, health, libraries, parks, and other locally delivered services; (2) prohibits the state from reducing local governments' property tax proceeds; (3) allows the measure's provisions to be suspended only if the Governor declares fiscal necessity and the Legislature approves the suspension (suspended funds must be repaid within three years); (4) requires local sales tax revenues to remain with local government and be spent for local purposes; and (5) requires the state to fund legislative mandates on local governments or suspend their operation. SB 1096 appropriates \$1.3 billion of annual General Fund savings in Fiscal Year 2004-05 and Fiscal Year 2005-96 by reducing payments to, or shifting funds from, local governments and implements the statutory provisions of the local government portion of the 2004-05 State Budget, including changes to Vehicle License Fee Law. AB 2115 (Assembly Budget Committee) became a cleanup trailer bill to SB 1096.

Other significant local government legislation enacted includes: SB 18 (Burton), which adds concerns for Native American places, features, and objects to Office of Planning and Research's General Plan Guidelines, to the contents of general plans' open space elements, and to the procedures for adopting general plans; SB 699 (Sher) requires cities and counties to report how closely their general plans follow Office of Planning and Research guidelines; SB 849 (Torlakson) makes the Bay Area Quality Management District part of the joint policy committee set up by the Metropolitan Transportation Commission and the Bay Area Government Association; SB 1057 (Senate Budget and Fiscal Review Committee) updates and corrects the definition of the vehicle license fee backfill funding gap for local government and appropriates funds for hardship allocations; SB 1266 (Torlakson) expands from 75 acres to 150 acres the size of county islands that are eligible for expedited city annexation; SB 1382 (Murray) requires redevelopment officials to send their preliminary reports to other local governments no later than 90 days before the date set for a public hearing on approval of a redevelopment plan by the legislative body, but allowing the report to be sent no later than 21 days before that date if any one of several specified conditions is met; SB 1404 (Soto) allows cities and counties to set up Multifamily Improvement Districts and finance neighborhood projects with benefit assessment; SB 1462 (Kuehl) requires cities and counties to notify the military about proposed development projects located under or near military special use airspace and allows the military to request consultation; SB 1514 (Poochigian) requires water districts to provide notice to all interested parties before taking property as a means of enforcing delinquent assessments or other levies; SB 1770 (Senate Local Government Committee) allows special districts to borrow money using securitized limited obligation notes; SB 1791 (Poochigian) requires the State Controller to collect data regarding the total assessed valuation of all taxable property in each school district and to compile the information on a county basis; SB 1820 (Machado) changes the method for determining property values when canceling a Williamson Act contract; AB 474 (Salinas) provides special districts with structure to create their own records management program; AB 1320 (Dutra) makes it easier for cities and counties to develop transit villages; AB 2067 (Harman) allows consolidation of special districts that operate under different principal acts; AB 2404 (Steinberg) extends existing law requiring equal access in state school sports to all local government sports programs; AB 2473 (Wolk) revises the Solar Rights Act, and continues the state's preemption of local control over the installation of solar energy devices; and AB 3065 (Kehoe) expands the State Board of Forestry and Fire Protection's review of the general plans' safety elements in counties and cities that contain State Responsibility Area land and very high fire hazard severity zones.

Indian Gaming

On June 21, 2004, Governor Schwarzenegger signed renegotiated gaming compacts with the following five Indian tribes: Pala Band of Mission Indians, the Pauma Band of

Luiseno Indians, the Rumsey Band of Wintun Indians, the Viejas Band of Kumeyaay Indians and the United Auburn Indian Community.

This agreement was designed to help local governments meet their law enforcement fire protection and infrastructure needs, strengthen environmental protections, provide more rights and safeguards for workers and guests, bring in at least \$1 billion in new state revenue in 2005, and generate up to another \$150-\$200 million per year in ongoing state revenue. Under these compacts, compacted tribes may seek a preliminary and permanent injunction against any gambling that violates their exclusive right to conduct Class III gaming and declares that such is considered a substantial impairment of the rights exclusively granted to such tribes. In order to protect these agreements, the Governor announced his opposition to the gaming ballot initiatives which could result in slot machines in certain card rooms and race tracks and allows unlimited gaming expansion for Indian tribes.

The Legislature passed AB 687 (Nunez) which ratified the above compacts and also allowed issuance of bonds, secured by Indian gaming revenue, in an amount up to \$1.5 billion to be dedicated for transportation improvement purposes. At the end of the legislative session, the Legislature ratified an additional four compacts with passage of SB 1117 (Burton) involving the following tribes: Coyote Valley Band of Pomo Indians, Fort Mojave Indian Tribe, Buena Vista Rancheria of Me-Wuk Indians, and Ewiiasspaayp Band of Kumeyaa Indians. The following legislation was also enacted concerning Indian gaming: AB 673 (Jerome Horton), which provides for allocation of funds from the Indian Gaming Special Distribution Fund (IGSDF) for the purpose of backfilling shortfalls in the Indian Gaming Revenue Sharing Trust Fund (IGRSTF), and funds for a problem gambling prevention program; SB 1102 (Senate Budget and Fiscal Review Committee) a budget trailer bill, among other provisions, requires the California Gambling Control Commission to report to the Legislature on the amount needed to backfill the IGRSTF on or before the May budget revision for each fiscal year and prohibits any eligible Native American Tribe from receiving an amount from the backfill for the IGRSTF in excess of \$275,000 per eligible quarter; and AB 3089 (Assembly Governmental Organization Committee) which corrects an error in SB 1102 that incorrectly referenced the “individual” tribal casino accounts when the reference should have been “county” tribal casino accounts.

Other significant gaming legislation enacted includes: AB 864 (Firebaugh), which permits local agencies to amend their ordinances to allow for an increase in the number of gambling tables, hours of operation, or maximum amount wagered in a gambling establishment and requires any amendments to those ordinances be submitted to the Division of Gambling Control for review and comment before the ordinance adoption by the city or county; and AB 1489 (Negrete McLeod) requires the Division of Gambling

Control to post on the Attorney General's Web site rules of play and collection rates of each game approved at each card room, and requires a licensee making a request of the division to approve a new game and collection rate to reimburse the division for the actual costs incurred.

Criminal Justice

Corrections:

In 2003, the Senate Select Committee on the California Correctional System was created by Senate Rules Committee, chaired by Senator Gloria Romero. This committee is an outgrowth from problems that developed at Pelican Bay Prison in Crescent City. Inmates from that prison brought a class action suit in the United States District Court concerning inmate abuse problems at Pelican Bay Prison. Judge Thelton Henderson ruled on behalf of the inmates and found that Pelican Bay staff routinely used unwarranted violence on inmates and operated a medical and mental health program for prisoners that was "riddled with systemic and gross deficiencies...which precludes ready access to adequate care." Since that time, Judge Henderson appointed special masters to monitor and report to him regarding compliance with mandated reforms. Judge Henderson indicated to the state that he was prepared to place the prison system under federal receivership, but agreed to delay this order to allow the Governor's correctional secretary, Rod Hickman, an opportunity to act to resolve the prison's problems.

The Senate select committee was charged with studying issues involving the California youth and adult correctional systems, including construction, operations and oversight. The select committee was directed to pay special attention to inmate and ward management issues, to the effect that overcrowding, recidivism and the aging population have on the system, and to the successful return to society of released inmates and wards. The committee, along with the Senate Select Committee on Government Oversight, held extensive hearings during 2004, investigating the role of the Inspector General, the code of silence among correctional employees, and making reforms in various aspects of the adult and youth correctional system.

On March 5, 2004, Governor Schwarzenegger created an independent review panel designed to expedite fundamental reforms within the correctional system which was chaired by former Governor George Deukmejian. On July 1, 2004 the panel presented its recommendations relative to reformation of the system by creating a civilian corrections commission to oversee California's prison system.

Legislation passed by the Legislature and signed by the Governor which responds to this crisis includes the following: SB 1342 (Speier), which strengthens the Inspector General's independence and investigative powers, protects whistleblowers and toughens penalties for acts of reprisal, retaliation, and threats by correctional staff; SB 1352 (Romero) improves the accountability of the Inspector General by improving access to its reports, audits and investigations; SB 1400 (Romero) creates the Bureau of Independent Review within the Office of Inspector General and specifies reporting requirements on matters pertaining to internal affairs investigations conducted by the State Department of Corrections and the State Department of Youth Authority; and SB 1431 (Speier) requires the State Department of Corrections and the State Department of Youth Authority to adopt a code of conduct for its employees.

Other major legislation relating to corrections which became law includes: SB 260 (Romero), creates the California Prison Inmate Health Service Reform Act; SB 1426 (Ducheny) provides a system where the State Department of Corrections can administer lower cost comparable generic drugs when medications are required; SB 1608 (Karnette) requires Board of Prison Terms to devise a method of notifying each foreign born inmate that he/she may be eligible under federal treaties to serve his/her term of imprisonment in his/her nation of citizenship; AB 384 (Leslie) restricts the possession and use of tobacco products by prisoners and staff; AB 854 (Koretz) makes statutory findings and declarations regarding availability of programs designed to prepare inmates for successful reentry into the community; AB 1530 (Negrete-McLeod) requires State Department of Corrections to admit to a community treatment program women who meet specified criteria, whose child was born prior to incarceration or who is pregnant; AB 1865 (Spitzer) prohibits the State Department of Corrections and any employee or contractor providing job placement services on behalf of the department from referring a parolee to any place of employment restriction attached to the parolee by reason of the nature of his/her criminal history; AB 2861 (Koretz) makes specified exceptions to existing prohibitions relative to accessing personal information by prison inmates; AB 2897 (Bogh) expedites process by which an inmate be required to test for HIV by reducing existing statutory procedural timelines as they relate to the appeal process, and repeals the legislative sunset for medical testing of prisoners.

Sex Offenders:

Major legislation in this area of criminal justice includes AB 488 (Parra), which enhances Megan's Law by requiring the State Department of Justice to establish an Internet site disclosing information pertaining to registered sex offenders in order that parents and guardians have more specific knowledge of sex offenders living in their neighborhoods.

Legislative Overview

Other legislation enacted that enhanced sex offender's laws includes: SB 446 (Machado), SB 1289 (Machado), AB 891 (Runner), AB 1937 (Corbett), AB 2395 (Correa), AB 2450 (Canciamilla), AB 2527 (Frommer), and AB 3042 (Yee).

Domestic Violence:

Domestic violence legislation signed into law includes: SB 914 (Bowen), enhances administration of domestic violence prevention grants; SB 1385 (Burton) allows a writ of habeas corpus in specified domestic violence cases to be brought on offenses that occurred prior to August 25, 1996, rather than January 1, 1992; SB 1391 (Romero) clarifies law concerning relinquishment of guns in a domestic violence situation; SB 1441 (Kuehl) provides domestic violence counselors and supporters to victims of domestic violence when being interviewed by law enforcement; AB 141 (Cohn) assists in prosecution of domestic violence against children by allowing introduction into prior incidents of child abuse; and AB 2018 (Chu) protects victims of domestic violence in marriage dissolution cases.

Other Crime and Sentencing Legislation:

Other criminal justice legislation passed by the Legislature and signed by the Governor includes: SB 58 (Johnson), protects confidential information regarding any witness or victims contained in a police report; SB 231 (Scott) establishes an entertainment firearm permit; SB 449 (Escutia) requires the court to take into consideration educational needs of a minor when determining disposition of the minor or when making any other orders related to the care of the minor; SB 631 (McPherson) enhances collection of restitution fines and increases revenue in the Restitution Fund; SB 761 (McPherson) requires that the name, license number, address and phone number of the bail agent issuing bail be included on any bail undertaking; SB 1234 (Kuehl) establishes a standard definition and reorganizes laws relating to hate crimes; SB 1313 (Kuehl) makes reforms recommended in a March 2004 report by the Child Abuse and Neglect Reporting Act Task Force; SB 1314 (Ortiz) enhances provisions of law dealing with dissemination of criminal history information; SB 1388 (Ortiz) allows cable corporations access to state and federal criminal history information for their employees and contract employees who may be seeking entrance to private residences and/or adjacent grounds; SB 1413 (Brulte) provides immunity from liability provided to those who assist another in the voluntary surrender of a newborn child under the "Safe Surrender Law"; SB 1484 (Ackerman) creates a new disorderly conduct misdemeanor, related to existing crimes, for concealed filming or photographing of a person for purpose of recording a person in a state of undress, including where a roommate or cohabitant filmed, photographed or recorded the victim; SB 1506 (Murray) deters individuals from distributing or making available commercial works by electronic dissemination that have no right to distribute and make

available to others including via an e-mail address; SB 1516 (Machado) expands current list of persons who may provide testimony or submit statements to the Board of Prison Terms. SB 1541 (Margett) adds a penalty of 40 hours of community service to a first conviction for engaging in a speed contest; SB 1678 (Dunn) revives statute of limitations for one year for civil actions for child abuse cases; SB 1694 (Torlakson) increases from seven to 10 years the time period in which a repeat driving under the influence (DUI) is subject to increased penalties for conviction of DUI and other related offenses; SB 1695 (Torlakson) requires the State Department of Motor Vehicles to receive proof of attendance at a DUI program directly from the program instead of the individual; SB 1697 (Torlakson) consolidates drivers license sanctions with the State Department of Motor Vehicles and removes them from jurisdiction of the court; SB 1744 (Dunn) establishes a new procedure by which a surety or depositor of bail may obtain an additional 180 days following expiration of the original 180-day period following forfeiture; SB 1768 (Romero) allows railroad police officers and their employing agencies to access the California Law Enforcement; SB 1794 (Perata) sets standards for administration of antipsychotic medication to persons found incompetent to stand trial; SB 1858 (Dunn) establishes a new definition for imitation firearms and generally prohibits open display or exposure of imitation firearms in public places; AB 2 (Bogh) creates the right for a victim to speak last at a parole hearing; AB 20 (Lieber) protects the right of crime victims who are dependent on others for their care because of being developmentally disabled or having a major brain injury; AB 50 (Koretz) adds .50 caliber BMG rifles to the list of dangerous weapons; AB 99 (Cox) allows the State Department of Corrections to arrange for all court appearances in superior court, except for preliminary hearings, trials, judgment and sentencing, and motion to suppress, to be conducted by two-way electronic video communication; AB 129 (Cohn) allows a minor who is adjudged as both a dependent child and a ward of juvenile court to be known as a dual status child; AB 371 (La Suer) allows phlebotomists to draw blood for the purpose of blood alcohol testing; AB 883 (Runner) allows for admissibility of documents being imaged and saved via an electronic means by a law enforcement agency; AB 911 (Longville) creates a new infraction for using the 911 telephone system for purposes other than an emergency; AB 1452 (Firebaugh) eliminates conviction or acquittal in another country as a bar to prosecution in California and as a defense at trial for the same act or omission; AB 1433 (Spitzer) adds "the immediate family of staff" to the list of persons protected by statute prohibiting threats against public officials; AB 1493 (Runner) enacts Robyn's Law making it a felony to commit necrophilia; AB 1499 (Liu) adds specified child pornography offenses to list of offenses for which a computer may be subject to forfeiture; AB 1694 (Wiggins) defines a misdemeanor for payment of compensation by a bail licensee to a jail inmate for solicitation of bail; AB 1801 (Pavley) increases penalties and fines for interfering with a guide dog; AB 1802 (Bogh) increases mandatory fines for unlawful commercial dumping of waste material; AB 1814 (Oropeza) provides that grand theft is committed whenever there is a theft of cargo valued in excess of \$400, except as provided; AB 1901 (Ridley-Thomas) expands definition of success in an existing probation education pilot program to include improvement of academic performance by three grade levels; AB 1907 (Pacheco)

extends sunset date for the crime of aggravated arson to January 1, 2010; AB 1920 (La Malfa) provides guidance on prosecutorial options for hate-related offenses; AB 1948 (Aghazarian) allows a county probation department to share specified information about out-of-county placements in a group home; AB 2137 (Steinberg) increases various law enforcement fees; AB 2173 (Parra) directs that the court admonish a person convicted of reckless driving or driving under the influence as to the dangers of driving under the influence of drugs or alcohol, as specified; AB 2238 (Spitzer) extends sunset on the Bail Fugitive Recovery Persons Act from January 1, 2005 to January 1, 2010; AB 2288 (Pacheco) reduces amount of damage caused by hate-motivated vandalism to \$400, in order for the offense to be a wobbler; AB 2426 (Chu) imposes conditions of probation, parole, and outpatient release on persons convicted of specified hate crimes and for commission of any other crime motivated by hate; AB 2431 (Steinberg) enacts a procedure specifying how firearms seized or held as evidence be returned to lawful owners; AB 2531 (Bates) makes in-home support services providers for minor children mandatory child abuse and neglect reporters; AB 2557 (Koretz) increases misdemeanor penalty for individuals who transact insurance without a license to up to one year in jail or a maximum of \$50,000 (or both); AB 2611 (Simitian) increases criminal penalties related to elder and dependent adult abuse; AB 2749 (Dutton) establishes a new training requirement for persons who investigate child abuse or neglect to inform the individuals of the allegations against them; AB 2873 (Garcia) conforms state law to federal law regarding establishment and duties of a child abuse and prevention citizen review panel; and AB 3095 (Assembly Aging and Long-Term Care Committee) allows a court to require counseling as a condition of probation for persons convicted of specified crimes against elders and dependent adults.

Education

One of the major issues resolved by the Legislature and the Governor was passage of legislation to implement Williams, et al. v. State of California. In May of 2000, the American Civil Liberties Union (ACLU) in Southern California filed a lawsuit against the state in the name of a minor public school pupil, Elizier Williams. The Mexican American Legal Defense Fund and Public Advocates became co-counsel with the ACLU. Plaintiffs argued that the state was failing to provide thousands of public school students, particularly those in low-income communities and communities of color, with the bare minimum necessities required for an education, such as textbooks, trained teachers, and safe and clean facilities. The state's failure to provide these bare minimum necessities to all public school students in California, they believed, violated State Constitution, as well as state and federal requirements that all students be given equal access to public education without regard to race, color, or national origin. On August 13, 2004 an agreement was reached between plaintiffs and the state. The agreement addressed the short-term school calendar for some of the most overcrowded schools, qualified teachers, clean and safe school facilities and up-to-date textbooks in core subject areas. As part of

the agreement, additional funding was to be provided to implement the agreement. The State Budget provides \$188 million for purposes of settling the lawsuit, \$138 million for instructional materials for students attending schools in the lowest two deciles of the API and \$50 million for unspecified associated costs related to the settlements.

The Governor signed into law the following settlement legislation:

SB 550 (Vasconcellos) and AB 2727 (Daucher), establishes minimum thresholds regarding school facilities, teacher quality, and instructional materials and an accountability structure to enforce these thresholds.

AB 1550 (Daucher), ends the shortened school-year calendar for some of the most overcrowded schools, by putting an end to the year round (Concept 6) academic schedule by July 1, 2012.

AB 3001 (Nunez), ensures placement of qualified teachers in low-performing schools, and enhances an existing oversight mechanism to ensure teachers are appropriately qualified to teach the subject matter to which they have been assigned. Additionally, streamlines the process for highly qualified teachers from out-of-state to obtain jobs in California's schools.

SB 6 (Alpert), provides up to \$800 million beginning with the 2005-06 fiscal year for districts to address emergency facility repair projects. Additionally, provides nearly \$25 million to assess the condition of school facilities in the bottom three deciles, starting in 2004-05.

A second major issue in education was the taking of the first steps to provide a long term solution for state school districts facing bankruptcy. In 1991, AB 1200 (Eastin) became law providing emergency loans to school districts along with the appointment of a trustee or administrator to oversee the district and effect a fiscal recovery plan. Since that time a number of school districts have come to the Legislature for emergency loans. This issue started to become a serious statewide problem when Oakland faced bankruptcy in 2003. Then in February 2004 the Vallejo City Unified School District became aware of a negative General Fund balance for the 2002-03 fiscal year and of potential deficits in its 2003-04 Budget and was projecting to run out of cash in June 2004. The Legislature passed, and the Governor signed, SB 1190 (Chesbro) to provide Vallejo with a \$60 million loan. In the meantime, negotiations were going on with the education community, the State Department of Finance, and the Superintendent of Public Instruction on the whole issue and they were successful in bringing about the passage of

AB 2856 (Daucher) reforming the process of fiscal monitoring of school districts and the procedures and policies that are triggered by a governing board's request for an emergency loan. Also, AB 1554 (Keene) became law requiring the three outstanding emergency loans that have been made to West Contra Costa, Oakland, and Vallejo to be refinanced through the California Infrastructure and Economic Development Bank using district owned facilities to secure the loan.

Another major piece of legislation passed in the education area was AB 823 (Firebaugh), shifts funding control from the state and increase flexibility for local communities. Specifically, it consolidates 26 existing categorical programs totaling \$1.8 billion into six block grants.

Other education legislation becoming law includes: SB 524 (Vasconcellos), allows drivers education to be offered by private secondary schools; SB 722 (McPherson) conforms state law with requirements of the federal No Child Left Behind Act of 2001; SB 898 (Burton) permits community colleges to acquire property to replace existing dwelling units displaced by school construction; SB 1161 (Alpert) enacts the California Reading and Literacy Improvement and Public Library Construction and Renovation Bond Act of 2006; SB 1245 (Kuehl) establishes the Entry-Level Master's Nursing Program Act; SB 1254 (Soto) extends the California Technology Assistance Project until January 1, 2009; SB 1322 (Denham) extends, until January 1, 2009, the National Guard Assumption Program of Loans for Education; SB 1384 (Scott) specifies that the State Superintendent of Public Instruction require the California Learning Resource Network to establish review criteria and a process for identification and review of electronic learning assessment resources by December 31, 2004; SB 1415 (Brulte) requires adoption and integration of a common course numbering system among public and private postsecondary institutions; SB 1448 (Alpert) reauthorizes the Standardized Testing and Reporting Program until January 1, 2011; SB 1464 (Karnette) allows a school district to publish notice for bids on the district's Web site or through an electronic portal; SB 1517 (Ashburn) allows school districts to issue retroactive high school diplomas for veterans whose military service interfered with their education; SB 1544 (Figueroa) extends the repeal date of the Private Postsecondary and Vocational Education Reform Act until January 1, 2007; SB 1658 (Karnette) allows the Commission on Teacher Credentialing to issue or reissue emergency permits for less than one year; SB 1771 (Scott) allows a school board to meet outside its district to interview members of the public residing in another district when considering potential employment of an applicant for superintendent of the district; SB 1785 (Scott) establishes a new community college transfer program with the California State University System; SB 1895 (Burton) modifies mental health service delivery for students with special needs; SB 1916 (Ashburn) allows a pupil to carry and self-administer asthma auto-injectable epinephrine medication under specified conditions; AB 97 (Nation) reenacts the School District of Choice Authorization for inter-district attendance; AB 379 (Mullin) establishes family child care

home education networks; AB 1175 (Koretz) establishes the Center for Excellence on the Study of the Holocaust, Genocide, Human Rights, and Tolerance as a program of the California State University; AB 1417 (Pacheco) restores and establishes an accountability process for the Community College Partnership for Excellence Program; AB 1465 (Chan) enhances funding for school facilities for small schools; AB 1925 (Haynes) notifies parents and guardians of a pupil if comprehensive sexual health or HIV/AIDS prevention instruction will be taught by outside consultants; AB 1969 (Negrete-McLeod) makes certain that the California State University and University of California have courses in ethics for their employees; AB 2066 (Steinberg) establishes a federally required assessment and intervention process to assist school districts, county offices of education and certain charter schools that are in need of programs under the federal No Child Left Behind Act; AB 2122 (Assembly Budget Committee) specifies that the activities of EDFund, the auxiliary organization of the California Student Aid Commission, shall not include either the issuance of bonds or loan origination or loan capitalization activities; AB 2132 (Reyes) allows a pupil to carry and self-administer medication or to receive assistance from school personnel, as specified; AB 2205 (Oropeza) creates the California Helping Heroes Child Care Program to provide child care to families with one or more parents deployed in Iraq by the armed forces, subject to the availability of federal funding; AB 2477 (Liu) urges textbook publishers to take specified actions to reduce the cost of college textbooks, as specified; and AB 2913 (Salinas) extends sunset date from January 1, 2005 to January 1, 2008 for experienced teachers to complete one or two segments of 45 hours of staff development in methods of specially designed content instruction to teach English to Limited English Proficient students.

Health and Human Services Committee

A major health issue facing the 2004 Session was providing consumers a cheaper way of purchasing pharmaceutical drugs. A package of bills reached the Governor which would have given consumers the ability to purchase drugs from Canada: SB 1144 (Burton) permits the State Department of General Services to buy Canadian drugs for state agencies, including health programs for prisoners and university students; SB 1149 (Ortiz) requires the California Board of Pharmacy to design a Web site to steer patients to credible Canadian drugstores and to warn consumers away from fraudulent or dangerous sources; SB 1333 (Perata) allows patients covered by Medi-Cal to use approved Canadian pharmacies; and AB 1957 (Frommer) creates a state Web site comparing United States and Canadian drug prices, and directs patients to Canadian drugstores approved by the pharmacy board.

Significant Senate health and human services bills enacted include: SB 29 (Figueroa) requires the State Department of Health Services to begin implementing the Prenatal and

Newborn Hospital Gateway Medi-cal programs within twelve months of sufficient staffing and funding requirements being met; SB 96 (Alpert) closes loopholes that localities have used to avoid fluoridating their water; SB 419 (Scott) allows the consolidation of biohazardous waste and sharps waste into a common container, as specified; SB 431 (Ortiz) appropriates \$2.3 million of federal funds to the State Department of Health Services for the purpose of implementing bioterrorism preparedness activities by state and local jurisdictions and hospitals; SB 541 (Ortiz) provides funding for the purpose of implementing bioterrorism preparedness activities; SB 598 (Machado) enhances confidentiality of information laws with regard to mental patients; SB 678 (Ortiz) appropriates \$18.1 million in federal funds to implement bioterrorism and smallpox preparedness measures; SB 785 (Ortiz) provides improved means whereby persons can obtain Medi-cal forms; SB 855 (Machado) creates a separate community care licensing category for crisis nurseries; SB 1103 (Senate Budget and Fiscal Review Committee) enacts the Health Omnibus Budget Trailer Bill; SB 1104 (Senate Budget and Fiscal Review Committee) enacts the Human Services Omnibus Budget Trailer Bill; SB 1159 (Vasconcellos) permits pharmacies and physicians to furnish hypodermic needles and syringes for human use without a prescription; SB 1196 (Cedillo) allows information from an application for School Lunch Program to be used to determine eligibility for the Healthy Families Program; SB 1307 (Figueroa) requires licensing requirements on pharmaceutical wholesalers by establishing bonding requirements; SB 1325 (Kuehl) and SB 1456 (Kuehl) clarify medical staffs' right of self-governance; SB 1355 (Aanestad) enhances law concerning cytotechnologists' use of automated or semiautomated screening devices; SB 1358 (Escutia) clarifies the role of the Bureau of Medi-Cal Fraud in investigating fraud; SB 1359 (Brulte) requires the State Department of Health Services to identify the area of fee for service medical programs that are the greatest risk of fraud or abuse; SB 1485 (Burton) revises definition of "physical therapy" to include promotion and maintenance of physical fitness to enhance bodily movement related health and wellness of individuals through use of physical therapy interventions; SB 1590 (Dunn) exempts disclosure of certain personal information covered by the California Public Records Act with regard to individuals associated with reproductive health clinics; SB 1612 (Speier) directs the State Department of Social Services to amend its state plan to allow specific federal funds to match county expenditures to subsidize child care services to foster parents and restores language for \$17 million in the Child Welfare Services program giving counties access to additional funding for critical services; SB 1626 (Poochigian) requires the Office of Statewide Health Planning and Development to issue an annual permit to a hospital if the hospital's total estimated construction cost is \$50,000 or less per fiscal year; SB 1633 (Figueroa) prohibits any business from seeking to obtain medical information directly from an individual for direct marketing purposes without clearly and conspicuously disclosing how it is used and shares that information; SB 1639 (Alarcon) promotes education and training, including English language proficiency, for CalWORKs participants and foster youth; SB 1662 (Soto) requires residential care facilities for the elderly to provide residents or their representatives written notice within two days following a change in the level of care; SB 1691 (Vasconcellos) provides that a licensed

physician is not subject to discipline for specified aspects of unprofessional conduct solely on the basis that the physician's treatment or advice is alternative or complementary medicine; SB 1745 (Perata) allows a health facility located within a county participating in a pilot program to convert all or some of its licensed bed capacity to operate a mental health rehabilitation center; SB 1764 (Speier) enhances law concerning the immunization registry system; SB 1765 (Sher) requires a pharmaceutical company to adopt and update a Comprehensive Compliance Program that is in accordance with a related federal government publication; SB 1782 (Aanestad) requires the California District Attorneys Association to develop protocols for interagency investigations in connection with a physician's prescription of medication to patients; SB 1819 (Ashburn) allows disclosure of certain client records to employees of mental health and developmental services facilities against whom an adverse employment action has been taken; SB 1847 (Perata) extends sunset authorizing local health departments to certify tuberculin skin test technicians to place and measure tuberculosis skin tests until January 1, 2011; and SB 1912 (Ashburn) and AB 2132 (Reyes) permits pupils to carry and self-administer inhaled asthma or auto-injectable epinephrine at school, as specified.

Significant health and human services Assembly bills include: AB 343 (Chan) prohibits the charging of Healthy Families Program applicants the application assistance fee; AB 685 (Leno) exempts HIV counselors from being required to possess a high school diploma or a GED in order to conduct rapid HIV tests; AB 691 (Daucher) allows nursing facilities to offer shots for flu and pneumococcal disease to residents 65 years or older; AB 321 (Cogdill) assists prevention of health services; AB 1091 (Negrete McLeod) enhances the method of reporting diseases; AB 1299 (Daucher) strengthens law concerning hospice care; AB 1367 (Steinberg) enhances HIV/AIDS therapy management services; AB 1369 (Pavley) phases out use of mercury-added thermostats; AB 1454 (Canciamilla) enhances efforts to combat West Nile Virus; AB 1629 (Frommer) provides for imposition of a quality insurance fee on each skilled nursing facilities, as specified; AB 1655 (Negrete McLeod) provides for an administrative fine to be imposed on paramedics for certain conduct that does not cause actual harm; AB 1796 (Leno) provides food stamps for drug ex-felons who are enrolled in a drug program or can demonstrate that the drug use has ceased; AB 1881 (Berg) allows any county to participate in a program to streamline services and funding for health and human services programs; AB 1959 (Chu) requires state auditors to conduct an audit of the state's procurement and reimbursement practices as they relate to purchase of drugs for or by state agencies; AB 1975 (Bermudez) assures that any doctor who is currently a registered sex offender will have their license revoked; AB 2100 (Steinberg) establishes "family teaching homes," a new class of community care facilities for adults with disabilities; AB 2127 (Levine) requires Alzheimers' Day Care Centers to be licensed as an adult day program or as an adult day care center; AB 2184 (Plescia) allows expanded use of Automated Drug Delivery Systems in skilled nursing facilities and intermediate care facilities; AB 2185 (Frommer) requires health care service plans to provide coverage for equipment used in treatment of pediatric asthma; AB 2193 (Nation) prohibits a person less than 14 years of

age from using a tanning device; AB 2430 (Wiggins) removes hot air balloon owners from jurisdiction of the Public Utilities Commission and places them under local government; AB 2248 creates a statewide registry for Parkinson's Disease; AB 2352 (Jackson) includes persons with terminal illnesses other than HIV or AIDS as eligible residents of residential care facilities for persons with chronic, life threatening illness; AB 2445 (Canciamilla) gives Advance Health Care Directive Registry identification cards by the Secretary of State to those who register with the registry; AB 2450 (Canciamilla) expands the scope of notification by the State Department of Mental Health given to local law enforcement regarding potential release of a sexually violent predator; AB 2496 (Shirley Horton) enhances use of private funds to improve child welfare services; AB 2661 (Steinberg) requires the State Department of Social Services to ensure that both the counties that license foster homes and foster family agencies that certify family homes have access to information regarding certification and de-certification of the homes; AB 2682 (Negrete McLeod) requires the Board of Pharmacy to adopt regulations governing out-of-state drug wholesalers; AB 2749 (Dutton) establishes a new training requirement for persons who investigate child abuse or neglect; AB 2759 (Levine) preserves individual health care coverage to subscribers of health plans and policyholders of insurance that withdraw from a California service area; AB 2791 (Simitian) requires the approved training program of a skilled nursing facility and an intermediate care facility to include instruction on preventing, recognizing, and reporting residents' rights violations as part of the current training and instruction required; AB 2873 (Garcia) conforms state law to federal law regarding establishment and duties of a child abuse and prevention citizen review panel; and AB 3044 (Yee) requires persons who perform parental ultrasounds to screen for congenital heart disease to substantiate they meet specified training and experience levels.

Environment

The following significant Senate environmental legislation passed the Legislature and was signed by the Governor: SB 18 (Burton) establishes intergovernmental consultation between local government and Indian tribes in early land use planning in order that tribal cultural sites be preserved; SB 50 (Sher) strengthens the Electronic Waste Recycling Act of 2003; SB 117 (Machado) enhances Water Security, Clean Drinking, Coastal and Beach Protection Act of 2002 in order that disadvantaged communities can access grants and awards of proposition funds; SB 391 (Florez) strengthens law concerning pesticide drifts; SB 512 (Figueroa) strengthens law concerning protection of marine resources; SB 805 (Escutia) expands application of the California Land Environmental Restoration and Reuse Act at a site that is larger than five acres of contiguous property, under the same ownership; SB 904 (Chesbro) requires state agencies to protect the river values that prompted protection under the California Wild and Scenic Rivers Act; SB 1107 (Senate Budget and Fiscal Review Committee) enacts the Resources Trailer Budget Bill; SB 1112 (Senate Budget and Fiscal Review Committee) repeals the state responsibility area fire

protection benefit fee; SB 1214 (Kuehl) clarifies requirements of the Salton Sea Restoration Study; SB 1153 (Chesbro) adds wild turkeys to list of game animals that may be taken out of season pursuant to a depredation permit; SB 1155 (Machado) requires State Department of Water Resources, in collaboration with the Secretary of the Interior, to prepare a plan to meet water quality standards and objectives for which the State Water Project has some responsibility by January 1, 2006; SB 1319 (Burton) enacts the California Ocean Protection Act of 2004; SB 1334 (Kuehl) requires counties with oak woodlands to consider certain oak conservation mitigation alternatives for oak woodlands that are proposed to be converted; SB 1362 (Figueroa) allows a household hazardous waste collection facility to operate as a home-generated sharps consolidation point if certain conditions are met; SB 1369 (Kuehl) strengthens law with regard to firebreaks; SB 1459 (Alpert) specifies conditions under which bottom trawl fishing may take place off the coast of California; SB 1482 (Sher) standardizes penalties imposed for violations of timber harvest rules so that penalties for violations in "special treatment areas" adjacent to wild and scenic rivers are comparable to penalties imposed in all other areas for timber harvest rules violations; SB 1526 (Hollingsworth) requires the State Department of Forestry and Fire Services, to develop, by July 1, 2005, a program to certify active duty military pilots so they may be engaged in state firefighting operations; SB 1545 (Karnette) appropriates \$750,000 to fund AB 1962 which requires that habitat management work plans and State Wildlife areas include an element that incorporates Best Management Practices to minimize mosquito production while maintaining targeted wetland values and functions; SB 1568 (Sher) strengthens the San Francisco Bay Conservation and Development Commission's enforcement and property disclosure mechanism, and allows specified commission funds to be spent by the State Coastal Conservancy; SB 1615 (Denham) exempts out-of-state vehicles that are more than 30 or more model years old from the smog check requirement upon initial registration; SB 1729 (Chesbro) revises current rigid plastic packaging container recycling rate calculation; SB 1742 (McPherson) creates the Environmental Enhancement Grant Program under the Office of Oil Spill Response and Prevention; SB 1749 (Karnette) prohibits deceptive marketing of plastic bags as "degradable" or "biodegradable" unless the bags conform to standards set by the American Society for Testing and Materials; SB 1829 (Machado) creates a procedure for formally reviewing the county assessor's determination of the current unrestricted fair market value, and thereby affects calculation of the amount of the cancellation fee, of land subject to a Williamson Act contract that is proposed for cancellation; and SB 1856 (Bowen) creates a uniform definition of prescribed burning.

Significant Assembly environmental legislation enacted includes: AB 471 (Simitian) prohibits a cruise ship from conducting onboard incineration while operating within three miles of the California coast; AB 901 (Jackson) changes from July 1, 2004 to November 1, 2004, the date retailers are required to begin collecting electronic waste (e-waste) recycling fee in California; AB 923 (Firebaugh) increases the maximum vehicle registration surcharge in selected counties and the per tire fee paid at the retail level to

fund various air quality programs; AB 1063 (Liu) extends the sunset date for the Repair and Replacement of Underground Storage Tanks loan program operated by the Technology Trade and Commerce Agency from January 1, 2004 to January 1, 2011, and provides more funding for loans and grants under the program; AB 1353 (Matthews) requires treated wood waste to be disposed of in a Class I hazardous waste landfill or a composite-lined portion of a solid waste landfill unit (Class II or Class III), and specifies requirements for generation and management of treated wood waste; AB 1394 (Levine) expands the Carl Moyer Program to include projects providing reductions in particulate matter, making these projects eligible for funding grants; AB 1408 (Wolk) requires a party responsible for the discharge or threatened discharge of oil to marine waters to report the discharge immediately to the Office of Emergency Services; AB 1701 (Laird) creates mandatory disclosure requirements for the acquisition by the Wildlife Conservation Board or the State Coastal Conservancy of conservation lands in excess of \$25 million; AB 1873 (Hancock) extends sunset date on the Recycling Market Development Zone Program within the California Integrated Waste Management Board for five years; AB 1876 (Chan) requires microbiological contamination monitoring at heavily used public beaches and recreational shore areas in the San Francisco Bay; AB 1906 (Lowenthal) increases the petroleum storage fee; AB 1982 (Wolk) requires the State Department of Fish and Game to coordinate with local mosquito abatement districts to reduce mosquito populations and maintain wildlife habitat values in specified wildlife areas in the northern portion of the Central Valley, and sunsets in five years; AB 2014 (Chu) strengthens the California Toxic in Packaging Prevention Act; AB 2121 (Assembly Budget Committee) requires the State Water Resources Control Board to adopt as state policy guidelines regarding the amount of water needed in certain North Coast rivers for certain fish species; AB 2128 (Jackson) increases funding for a program to provide incentives for the retirement of high-emitting vehicles; AB 3140 (Runner) increases penalties for unlawful harvesting of desert plants; AB 2159 (Reyes) provides more accountability to the existing appeal process for solid waste facility enforcement actions by the California Integrated Waste Management Board and its Enforcement Agencies; AB 2176 (Montanez) enhances the law relative to solid waste reduction, recycling, and reuse programs; AB 2186 (Leslie) allows the California Tahoe Conservancy to make grants to local public agencies to two-thirds of the cost of relocating water or sewer infrastructure; AB 2222 (Koretz) enacts the Anthony Farr and Stacey Beckett Boating Safety Act establishing operational restrictions and notice requirements aimed at preventing or reducing risk of exposure to carbon monoxide emissions from boating vessels; AB 2251 (Lowenthal) enhances laws relating to the permit process and operational requirements for facilities that handle hazardous waste; AB 2277 (Aghazarian) encourages recycling of used fuel filters; AB 2420 (La Malfa) exempts cutting and removal of trees to reduce the threat of wildfire from timber harvesting requirements if various requirements are met; AB 2470 (Kehoe) allows a local agency to educate the public about water conservation by preparing a booklet or other materials to be given to buyers of real estate; AB 2514 (Assembly Natural Resources Committee) increases the California Environmental License Plate fee for renewal and Transfer; AB 2518 (Keene) allows the State Department of Parks and Recreation to approve 30-year

concession contracts for operation and maintenance of marinas; AB 2519 (Berg) makes certain various salmon and roe herring programs are funded; AB 2529 (Kehoe) establishes a Marine Managed Areas Program to grant monetary awards for capital projects that will restore and protect water quality and environment of protected marine areas; AB 2600 (Leslie) creates, within the Resources Agency, the Sierra Nevada Conservancy to acquire and manage land for various specified public objectives, and makes grants for those purposes, in the Sierra Nevada and adjacent areas; AB 2631 (Wolk) establishes the Invasive Species council to coordinate the state's efforts in eradicating invasive species; AB 2572 (Simitian) prohibits cruise ships from releasing sewage into the state's marine waters, potentially subject to federal approval of a State Water Resources Control Board application to allow the prohibition; AB 2683 (Lieber) repeals the "30 year rolling exemption" that applies to the Smog Check and Smog Check II programs; AB 2722 (Laird) allows exiting Proposition 40 and 50 bond funds to be used to reimburse the General Fund for tax credits issued under the Natural Heritage Preservation Tax Credit Act; AB 2830 (McCarthy) allows the State Department of Conservation to find that the fact that an oil or gas well has been idle for 25 years and fails to meet specific requirements is conclusive evidence of desertion; AB 2877 (Aghazarian) reestablishes, until January 1, 2008, authorization of the State Department of Toxic Substances Control to adopt regulations establishing alternative management standards for a limited universe of hazardous wastes; AB 2901 (Pavley) enacts the Cell Phone Recycling Act of 2004 requiring all retailers of cellular telephones to have in place by July 1, 2006 a system for the accepting and collecting of used cell phones for reuse, recycling or proper disposal; AB 2955 (McCarthy) alleviates the potential accumulation of penalties for underground storage tank leak violations and establishes funding assistance for installation of new monitoring and leak control technologies for underground storage tanks; and AB 2922 (Laird) allows a mitigated negative declaration to be used in lieu of a supplemental environmental impact report (EIR) for a supplemental project included in a master EIR in certain instances where there are changed circumstances or new information.

Elections

The Legislature passed SCA 18 (Johnson) which has become Proposition 60 on the 2004 General Election ballot. This places into the State Constitution a requirement that all political parties that participate in a primary election be able to advance their top voting candidates to the general election. This proposal is an alternative to Proposition 62, which requires that only the top two vote-getters in the primary (regardless of party identification), advance to the general election. If both pass, the measure which receives the most "yes" votes becomes effective.

Another piece of legislation, SB 1730 (Johnson), which became law, changed California's direct primary election and the presidential primary election to be held in June rather than March. The author indicated that the March presidential primary was to give California more clout in the presidential nominating process. However, this has not occurred. In the 2003 Primary Election, California set a record for the lowest turnout ever in a presidential primary election, and in the 2002 Primary Election, California set a record for the lowest turnout ever in a primary election in California's history. It is hoped that by returning the primary to its original date it will afford a greater opportunity to keep voters interested in the election process and reduce campaign costs because the overall campaign cycle will be shortened.

Other election legislation enacted into law includes: Enacting the Voting System Security Act of 2004 permitting the Secretary of State, the Attorney General, and any local elections official in the county in which an act of tampering with a voting machine occurs, to bring a civil action against an individual, business, or other legal entity that commits that act; SB 1438 (Johnson) prohibits use of a direct recording electronic voting system starting January 1, 2006, unless that system has an accessible voter verified paper audit trail; SB 1670 (Romero) requires uniform standards for the training of precinct board members address procedures concerning the opening and closing of polling locations on election day so that all eligible voters who arrive at the polling location prior to closing time are permitted to cast a ballot; AB 1501 (Levine) allows a candidate to change his/her statement of acceptance or rejection of voluntary expenditure limits if he/she has not already exceeded those limits; AB 2091 (Longville) allows declarations of candidacy and nomination papers to be returned to the county elections official by a person other than the candidate; and AB 2941 (Bates) permits a special absentee voter to return his/her ballot by facsimile transmission to the elections official.

Energy/Utilities

The following major energy and utilities legislation passed by the Legislature and signed by the Governor includes: SB 772 (Bowen) allows the Public Utilities Commission (PUC) to authorize issuance of bonds secured by a dedicated rate component to finance a part of the Pacific Gas and Electric Company (PG&E) bankruptcy related debts and may only authorize the issuance of the bonds if the action will benefit ratepayers through lower rates. This codifies a settlement agreement between PG&E, the PUC, and TURN to finance PG&E's exit from bankruptcy; SB 1276 (Bowen) extends the requirement for the PUC to provide affordable telephone rates in high cost areas and appropriates \$17,974 for the support of the California Teleconnect Program; SB 1488 (Bowen) requires the PUC to initiate a proceeding to review its public informational practices; SB 1565 (Bowen) requires the Energy Commission to adopt a strategic plan for investments in the state's electric transmission grid, using existing resources; SB 1776 (Bowen) reinstates

provisions of law establishing a process for the expedited review of applications to build and operate thermal powerplants, and for the expedited review of repowering projects; AB 135 (Reyes) allows the Energy Commission to borrow up to \$60 million against future Public Good receipts to pay for installation of solar photovoltaic electric generating systems; AB 502 (Canciamilla) encourages local officials to expedite permitting of natural gas exploration or productions; AB 1684 (Leno) allows certain combustion technologies that use non-renewable fuel to be eligible for an incentive under the PUC Self Generation Incentive Program if they meet a specified air emission standard; AB 1733 (Reyes) provides additional privacy protections for wireless telephone numbers; AB 2473 (Wolk) revises the Solar Rights Act continuing the state's preemption of local control over installation of solar energy devices; AB 2869 (Levine) exempts customers of a utility from paying specified charges established by either board of the local publicly owned electric utility or the PUC; and AB 2918 (Laird) requires the commission to evaluate the interrelationship between the commission's electricity policies and water policies as they relate to saline water conversion through ocean desalination.

Veterans

With the Iraq War still being fought in 2004, a number of measures dealing with veterans came before the Legislature and were signed by the Governor, including the following: SB 615 (Cedillo) conforms state law to the federal Servicemembers Civil Relief Act of 2003; 714 (Morrow) indexes the disabled veterans property tax exemption amounts (\$100,000 and \$150,000) with changes in the Consumer Price Index starting in 2006; SB 1152 (Machado) establishes the California Military Family Relief Fund for taxpayer contribution designation on the income tax form to provide financial aid to members of the California National Guard who have been called to duty; SB 1193 (Soto) requires the State of California to pay a \$10,000 death benefit to the surviving spouse or designated beneficiary of any member of the California National Guard, State Military Reserve or Naval Militia who dies or is killed in the performance of active duty; SB 1322 (Denham) extends by five years the APLE-National Guard program and expands the pool of beneficiaries for this program; SB 1517 (Ashburn) allows school districts and county offices of education to issue high school diplomas to veterans who did not receive diplomas due to their military service; SB 1688 (Ashburn) annually designates the second full week in November as Veterans Appreciation Week in recognition of veterans of the United States Armed Forces; SB 1713 (Machado) conforms California law to the federal Military Tax Relief Act; AB 279 (Cohn) permits surviving spouses of Purple Heart recipients to retain the Purple Heart special license plate upon the death of the license plate holder; AB 323 (Parra) allows a nonprofit veteran service agency to be eligible for certification as a small business and be granted a small business bid preference, provided certain requirements are met; AB 1073 (Dutton) excludes from tax the death gratuity paid to the survivor eased member of the Armed Forces of the United States; AB 1077

(Wesson) allows the issuance of an additional \$100 million in lease-revenue bonds for six veterans homes; AB 1736 (Assembly Veterans Affairs Committee) allows the State Department of Veterans Affairs to use state funds to equip, design and build various veterans homes in anticipation of federal matching funds; AB 1939 (Cox) designates the California State Military Museum and Resource Center as the official state military museum; AB 2266 (Assembly Veterans Affairs Committee) allows the Cal-Vet Farm and Home Loan Program to offer loans for purchase of shares of stock in cooperative housing corporations; AB 2268 (Samuelian) allows the State Department of Veteran Affairs to contract, with the approval of the State Department of Finance, with any non-profit veterans service organization to pursue benefits for California's veteran population; AB 3000 (Mountjoy) allows prisoners of war to receive priority status to California Veterans Homes and exempts residents of domiciliary units of the California homes from providing aid and attendance stipends to the homes in receipt for assistance; and AB 3015 (Runner) changes the current six month limitation on absence from the state for a school district governing board member whose absence is due to military service by allowing the school district governing board to extend the absence for an additional six months.

Housing

Significant housing legislation enacted includes: SB 30 (Figueroa) strengthens law concerning home improvement contracts; SB 64 (Speier) establishes a program for mediation of certain residential property insurance disputes; SB 115 (Torlakson) provides that landlord or a landlord's agent may not demand or require cash as exclusive form of payment of rent or deposit of security, and provides that it may not be contravened by the parties; SB 1145 (Burton) deletes the sunset dates on various landlord-tenant provisions of law; SB 1163 (Dunn) requires the Public Utilities Commission to accept, and investigate, as necessary, complaints made by sub-metered mobilehome park or apartment complex customers alleging violations of master-meter responsibilities; SB 1228 (Perata) enhances the California Natural Disaster Assistance Program managed by the State Department of Housing and Community Development; SB 1328 (Torlakson) expands the types of assisted projects that are subject to existing requirements for owners to provide notice of any termination of affordability restrictions; SB 1777 (Ducheny) requires State Department of Housing and Community Development to update the Statewide Housing Plan every four years rather than every two years; SB 1815 (Johnson) provides that a building permittee is entitled to reimbursement of permit fees if the local enforcement agency does not conduct an inspection of the permitted work within 60 days of received notice that the work is completed; SB 1818 (Hollingsworth) increases flexibility and usefulness of the housing density bonus law; SB 1855 (Alpert) adds additional homeowner insurance disclosure, and requires the disclosure statement to be accompanied by a California Residential Property Insurance Bill of Rights; AB 32 (Salinas) enhances the providing of more farmworker housing by employers; AB 224 (Kehoe) prohibits common interest development homeowner associations from requiring

a homeowner to install or repair a roof in violation of existing Health and Safety Code provisions relating to very high fire hazard severity zones; AB 421 (Steinberg) requires the Insurance Commissioner to conduct a study of the market for property and liability insurance for corporations that provide subsidized low- and moderate-income rental housing; AB 672 (Montanez) provides additional down payment assistance to qualifying borrowers who purchase a new home within an “infill opportunity zone” “transit village development districts” and “transit oriented specific plan;” AB 920 (Nakano) strengthens real estate disclosure laws; AB 1462 (Salinas) allows the State Department of Housing Development to waive the requirement that applicants to the Joe Serna, Jr. Farmworker Program provide matching funds; AB 1572 (Lieber) increases amount of time a claim may be filed with the State Housing and Community Development for payment from the Manufactured Home Recovery form one to two years; AB 1964 (Lieber) provides additional enforcement rights to park managers of special occupancy parks; AB 2158 (Lowenthal) enacts reforms to the regional housing needs allocation process; AB 2252 (Montanez) creates the Vacation Ownership and Time-Share Act of 2004; AB 2348 (Mullin) makes changes to the housing element law pertaining to land inventory, adequate sites, and permits use based on the work of the Housing Element Work Groups; AB 2351 (Corbett) makes changes to the Mobilehome Residency Law regarding rental agreements, vehicle towing, “for sale” signs, and rights of entry, and expands existing law to include resident-owned mobilehome parks; AB 2581 (Lieber) requires a mobilehome park owner to submit a conversion impact report when their permit to operate has been suspended by the State Department of Housing and Development or other responsible local enforcement agency; AB 2838 (Salinas) increases amounts of down payment assistance available under the California Homebuyers Downpayment Assistance Program; AB 2867 (Nunez) discourages the practice of the “28 day shuffle” occurring in many residential hotels; and AB 3033 (Yee) prohibits local jurisdictions, until January 1, 2009, from imposing additional building or site conditions on or before the issuance of building permits for potentially dangerous buildings being retrofitted.

Transportation

Significant legislation enacted in the transportation area includes: SB 871 (Torlakson) requires the State Department of Motor Vehicles (DMV) to make certain information from traffic accident reports collected by the department available to commercial firms under specified restrictions and requirements; SB 1085 (Murray) strengthens and broadens existing prohibition on the use or equipping of a vehicle with traffic signal preemption devices; SB 1087 (Soto) extends the sunset date of the Safe Route to School Program for three years; SB 1098 (Senate Budget and Fiscal Review Committee) approves transfers up to \$140 million in sales tax spillover revenue to the Traffic Congestion Relief Fund instead of the Public Transportation Account to help repay transportation loans to the General Fund; SB 1099 (Senate Budget and Fiscal Review Committee) suspends transfers of motor vehicle fuel sales tax revenues from the General

Fund to the Transportation Investment Fund for the 2004-05 fiscal year; SB 1130 (Scott) extends for two years authority for transit districts to enter into design build contracts; SB 1189 (Chesbro) allows the State Department of Transportation to contract with federally recognized Indian tribes for the performance of specified transportation duties; SB 1213 (Scott) increases the fee for the California Arts Council special interest license plates; SB 1269 (Morrow) requires the Judicial Council to develop a report by June 1, 2005 regarding Court Assistance Program fees charged to traffic violator school attendees; SB 1500 (Speier) requires all insurers to report electronically to DMV by 2006, requiring DMV to suspend registration if insurance is fraudulent or cancelled, and requires the State Department of Insurance to report on the effectiveness of the low-cost auto insurance program; SB 1507 (Burton) codifies California Transportation Commission's adopted policy and guidelines regarding issuance of federal Grant Anticipation Revenue Vehicle bonds or notes for financing state transportation projects; SB 1848 (Ashburn) broadens a pilot program for diversion in specified cases of driving on a suspended license; AB 923 (Firebaugh) increases the maximum vehicle registration surcharge in selected counties and the per tire fee paid at the retail level to provide funds for emission reduction programs; AB 1138 (Frommer) requires users of disabled license plates to substantiate their eligibility for those plates; AB 1320 (Dutra) facilitates the creation of more transit villages by easing restrictions on local governments; AB 1618 (Firebaugh) requires railroads operating in California to develop protocols for rapid communications with various agencies in the event of a runaway train or any other uncontrolled train movements; AB 1663 (Dutra) extends by five years the sunset date for the local vehicle theft program; AB 1787 (Bogh) requires DMV to waive all penalty fees for late payment of registration of those who are members of the military deployed outside of California as specified; AB 1847 (Koretz) allows trained law enforcement volunteers to remove illegally parked vehicles; AB 1854 (Simitian) requires that a motor vehicle have its headlamps lighted during inclement weather starting July 1, 2005; AB 1009 (Pavley) applies consistent emission standards to foreign and domestic heavy duty vehicles; AB 1878 (Chan) requires motor scooter operators to be licensed; AB 1951 (Benoit) requires drivers to obey regulatory traffic signs or signals that have been erected or maintained to enhance traffic safety or operations; AB 2032 (Dutra) enhances development of high occupancy lanes in various areas of the state; AB 2138 (Jackson) increases funding for a program to provide incentives for the retirement of high emitting vehicles; AB 2173 (Parra) provides that the court admonish a person convicted of reckless driving or driving under the influence as to the dangers of driving under the influence of drugs or alcohol; AB 2237 (Parra) increases penalties for repeat convictions of speed laws; AB 2498 (Longville) establishes a minimum baseline level of funding for the Freeway Service Patrol; AB 2503 (Liu) requires a rental company to provide documentation to a renter of a 15-passenger vehicle of the dangers associated with such a vehicle; AB 2528 (Pavley) allows advanced technology partial zero-emission vehicles to use High Occupancy Vehicle lanes; AB 2709 (Levine) requires DMV to develop a method for law enforcement to verify proof of insurance electronically; AB 2785 (Nakano) makes it an infraction to drive a school bus or a transit vehicle while using a wireless telephone; AB 2840 (Corbett) restricts the use of electronic surveillance technology to track and locate

rental car customers; and AB 2848 (Keene) places all-terrain vehicles under the New Motor Vehicle Law.

Taxation

The major tax legislation enacted this year was the tax trailer bill SB 1100, which imposes fees by the State Franchise Tax Board covering installment agreements and rush services; suspends the Teacher Retention Tax Credit for two years; requires use tax to be paid if a vehicle, vessel or aircraft is brought into the state within 12 months; suspends the National Heritage Preservation Tax Credit Act of 2000 until June 2005, unless revenue lost from those credits are reimbursed; maintains the \$1 million cap placed in the credit in 2000, but extends it through 2007-08 fiscal year; and provides for an amnesty program for sales and income/corporation tax.

Other significant tax legislation enacted includes: SB 451 (Ducheny) exempts previously leased-on-base military housing from property tax as a possessory interest; SB 651 (Cedillo) conforms California tax law to the federal Servicemembers Civil Relief Act of 2003; SB 764 (Morrow) indexes the disabled veterans property tax exemption to changes in the Consumer Price Index, starting in 2006; SB 1147 (Hollingsworth), AB 1510 (Kehoe), and AB 2165 (Houston) adds the Southern California wildfires that occurred during October and November 2003, the San Simeon earthquake that occurred during 2003, and the Middle River levee break that occurred in the San Joaquin County in June 2004, to the list of disasters in which tax income tax and property tax relief can be provided; SB 1162 (Machado) establishes the California Military Family Relief Fund for taxpayer contribution designation on the income tax form to provide financial aid grants to members of the California National Guard who have been called to duty; SB 1172 (Ackerman) provides that California may not tax the California-source income of certain nonresident individuals, including members of the military, and those whose jobs involve interstate transportation and commerce; SB 1534 (Johnson) requires the Franchise Tax Board to modify Form 240 2EZ income tax form by increasing the thresholds and expanding the sources of income for purposes of being qualified to use the form and requiring the Legislative Analyst in consultation with the board to conduct a study on the effectiveness of the revised form; SB 1689 (Poochigian) provides that restitution payments for those persecuted by the regime that was in control of the Ottoman Turkish Empire during the Armenian genocide is not to be considered income for tax purposes; AB 263 (Oropeza) allows a corporation to deduct from income a part of the dividends received from an insurance subsidiary; AB 658 (Nakano) allows the addition of the California Prostate Cancer Research Fund income tax checkoff; AB 1073 (Dutton) excludes from income tax the death gratuity paid to the survivor of a deceased member of the Armed Forces of the United States; AB 1260 (Matthews) enhances the penalties for persons who fraudulently obtain a state income tax refund; AB 1416 (Bermudez) extends

the sunset date on the tax practitioner-client confidentiality from January 1, 2005 to January 1, 2009; AB 1799 (Mullin) extends the sunset date on the California Alzheimers Disease and Related Disorders Research Fund income tax checkoff for five years; and AB 2328 (Wyland) provides a special rule for built-in gains tax upon certain conversions of C corporations into S corporations and conforms to a federal tax provision limiting use of a specific method of accounting.

Family Law Legislation

Significant family law legislation which became law includes: SB 7 (Brulte) allows a member of the United States armed forces who is stationed overseas and serving in a conflict or a war to be married in California by proxy; SB 339 (Alpert) regulates private child support collectors by setting their fees, requires specified disclosures to potential clients, permits cancellation of contracts under certain circumstances, and regulates advertising; SB 449 (Escutia) requires the court to take the educational needs of a minor into consideration when determining the disposition of the minor or when making any other orders related to the care of the minor; SB 749 (Escutia) extends by one year the deadline for the Judicial Council to adopt a rule of court implementing provisions regarding writ review of a court order for the placement of a dependent child after parental rights have been terminated; SB 1178 (Kuehl) enacts the Teen Parents in Foster Care Act; SB 1357 (Scott) enhances the laws governing foster care and adoption; SB 1407 (Kuehl) allows reimbursement for a person's separate property contributions of one spouse to the other spouse's separate property estate, unless there is a written waiver of the right to reimbursement ergo, making the contribution a gift; AB 252 (Jackson) creates a new procedure for challenging paternity judgments based upon genetic testing; AB 782 (Kehoe) establishes procedures for keeping the location or identifying information about the assets and liabilities of the parties in a dissolution matter sealed; AB 1108 (Bermudez) permits a court to order a parent seeking custody or visitation to undergo testing for use of controlled substances or alcohol; AB 2148 (Diaz) makes various changes to the Family Code sections concerning awards of attorneys' fees in specified child custody and visitation proceedings; AB 2228 (Garcia) facilitates sharing of information between the family law and probate law courts in guardianship proceedings, and the sharing of information between the family law and probate law courts and juvenile court in the latter courts proceedings to assure accurate and convenient gathering of information that can be used to make appropriate decisions about children; AB 2292 (Wolk) provides courts with discretion to protect the best interests of children in having reasonable visitation with former long-term guardians; AB 2358 (Steinberg) transfers authority and responsibility for collection of past due child support from the State Franchise Tax Board to the State Department of Child Support Services effective July 1, 2005; AB 2492 (La Suer) authorizes the use of an out-of-state licensed private or public adoption agency to certify through a preplacement evaluation that the petitioning out-of-state prospective adoptive parents are suited to be adoptive parents; AB 2580 (Goldberg)

clarifies provisions of the California Domestic Partner Rights and Responsibilities Act of 2003; and AB 2674 (Leno) clarifies the procedures for voluntary relinquishment of a child for purpose of adoption.

Insurance

Insurance significant legislation was enacted includes: SB 64 (Speier) establishes a program for the mediation of certain residential property insurance disputes; SB 1273 (Scott) strengthens law concerning penalties relative to misrepresentation by insurers; SB 1495 (Machado) requires an insurer to reimburse any fees and extra premium charged to an insured due to a late premium payment or lapse in coverage if the late payment or lapse in coverage was the result of fraud committed by an agent or broker; SB 1500 (Speier) requires all auto insurers to report electronically to the State Department of Motor Vehicles (DMV) by 2006, requiring DMV to suspend registration if the insurance is fraudulent or cancelled, and requires the State Department of Insurance to report on the effectiveness of the low cost auto insurance program; SB 1855 (Alpert) requires homeowner insurers to make additional disclosures about additional costs of broader coverage than the consumer's current coverage; SB 2XXXX (Speier) increases penalties for committing various types of insurance fraud; AB 321 (Cogdill) requires that full health care services plans provide, upon request of a group subscriber, the contract termination dates for major contracts in the group subscriber's area; AB 421 (Steinberg) requires the Insurance Commission to conduct a study of the market for property and liability insurance for corporations that provide subsidized low- and moderate-income rental housing; AB 700 (Diaz) allows insurers who are licensed to transact credit insurance in other states to also be eligible to issue financial guaranty insurance in California; AB 1227 (McCarthy) creates different penalties than currently exist for inadequate special investigations units of insurance companies; AB 1728 (Assembly Insurance Committee) improves the ability of both the State Department of Insurance and the National Association of Insurance Commissioners to identify financially risky insurance companies; AB 1867 (Vargas) appropriates an additional \$5.2 million from the Insurance Fund in order that local district attorneys can investigate and prosecute auto fraud; AB 2199 (Kehoe) defines the measure of indemnity and places specified conditions on insurers' circumstances related to fire insurance; AB 2316 (Chan) creates a Life and Annuity Consumer Protection Program; AB 2520 (Vargas) requires self-service storage facilities and their franchises that sell insurance in connection with their rental agreements to obtain a license; AB 2677 (Ridley-Thomas) requires auto insurers or insurer groups licensed to sell personal auto insurance to provide consumers with a cost estimate for its lowest price auto insurance policy at the limits the consumer has requested and that is available to that consumer; AB 2962 (Pavley) prohibits an insurer, in the event of a total loss to the primary insured structure under a residential policy, from canceling coverage during the course of rebuilding the structure and clarifying the measurement of actual cash value under an open fire policy covering policies; and AB

3088 (Jerome Horton) specifies that insurers having common ownership and operating in California under common control are not required to sell good driver discount policies issued by other insurers within the common ownership group if the Insurance Commissioner determines that the insurers satisfy specified conditions.

Outsourcing

One issue which received a lot of attention in 2004 has become known as outsourcing, which is the use of overseas rather than domestic labor. A number of bills were introduced to try and curb this practice: SB 888 (Dunn), which was vetoed; SB 1451 (Figueroa), which was vetoed; SB 1452 (Figueroa), which died in the Senate Appropriations Committee; SB 1453 (Figueroa), which died in Assembly Appropriations Committee; SB 1492 (Dunn), which was vetoed; SB 1638 (Romero), which died in Assembly Appropriations Committee; AB 2163 (Leslie), which died in Assembly Health Committee; AB 2449 (Diaz), which died on the Assembly Inactive File; AB 2715 (Reyes), which was vetoed by the Governor, and AB 3021 (Assembly Labor and Employment Committee), which was vetoed.

Other legislation of note

Other Senate legislation of note enacted includes: SB 246 (Escutia), which streamlines the court fine and penalties payments collection; SB 318 (Alpert) requires an urban water supplier to add to the list of required elements of their urban waste management plan a description of the opportunities for development of desalinated water; SB 926 (Knight) renames the Office of Military Base Retention the Office of Military and Aerospace and consolidates all military base retention and conversion programs under a single office within state government, and allows the use of the California Infrastructure Bank for military infrastructure; SB 1034 (Murray) establishes minimum audit procedures to all royalty contracts between a royalty recipient and a royalty reporting party; SB 1089 (Johnson) requires the state Water Resources Board to give favorable consideration in providing loans to projects that respond to an administrative enforcement order; SB 1173 (Ortiz) makes it unlawful for any retailer of tobacco products to sell, offer for sale, or display for sale any tobacco product or tobacco paraphernalia by self-service displays; SB 1226 (Machado) designates "Nassella pulchra (commonly referred to as purple needlegrass) as the official California State Grass; SB 1248 (Bowen) enhances the law concerning the Statewide Registry for conservators, guardians and trustees; SB 1262 (Sher) enacts the Nonprofit Integrity Act of 2004 revises, recasts, and adds to the law regulating charitable organizations, commercial fundraisers and fundraising counsel; SB 1280 (Ortiz) allows the project for flood control damage reduction and environmental restoration in the American River watershed in Sacramento County; SB 1301 (Vincent) repeals the sunset date on the law relating to the spaying and neutering of dogs and cats;

SB 1310 (Johnson) extends the sunset on the Metropolitan Water District of Southern California required annual report on complaints to January 1, 2010; SB 1363 (Ducheny) makes it a misdemeanor and an unlawful business practice for the owner of a hotel or motel, for 30 days following the declaration of a state of emergency after a natural disaster, to raise their room rates by more than 10 percent above the level immediately preceding the declaration; SB 1408 (Poochigian) provides courts with factors that judges may consider in determining whether a debtor's transfer of property is made with fraudulent intent to defraud a creditor; SB 1436 (Murray) establishes the Consumer Protection Against Spyware Act; SB 1457 (Murray) modifies recently enacted state law banning e-mail spam to conform to recently enacted federal law; SB 1465 (Kuehl) requires that when a subpoena for documents is sent to a labor union for records related to a current or former member's employment, a notice must be sent to the union member; SB 1490 (Senate Judiciary Committee) continues the annual statutory authorization for the State Bar to collect the same dues in 2005 as was in 2004; SB 1520 (Burton) prohibits persons from force feeding a bird for the purpose of enlarging its liver beyond normal size and prohibits a product from being sold in California if it is the result of such force feeding starting July 1, 2012; SB 1542 (Figueroa) establishes a sunset review process every four years for the Bureau of Automotive Repair; SB 1643 (Murray) requires the Governor to proclaim the month of February as Black History Month each year; SB 1650 (Chesbro) extends the sunset date on the Pierces Disease Control Program until January 1, 2011; SB 1677 (Knight) allows the Los Angeles County Flood Control District to accept transfers of storm drain improvements from cities; SB 1707 (Aanestad) allows for the recovery of emergency costs from a person who must be rescued because they intentionally, knowingly or willfully enter any area that is closed to the public; SB 1746 (Ackerman) enacts a new organized statutory scheme governing unincorporated associations; SB 1754 (Battin) requires that the final determination of the use of existing state-owned and state-leased office space under the jurisdiction of the State Department of General Services by state agencies, is to be made by the department with concurrence of the State Department of Finance; SB 1775 (Ortiz) enhances the law to make buildings accessible to the disabled; SB 1781 (Knight) requires the State Fire Marshal; to adopt regulations governing the possession and use of flamethrowing devices and prohibits possession or use without a valid permit; SB 1826 (Poochigian) enhances the law ensuring that commercial dead animal haulers are properly disposing of dead animals; SB 1809 (Dunn) enacts the Labor Code Private Attorney General Act of 2004 making substantive changes in the procedural and administrative requirements that must be met prior to bringing a private action to recover civil penalties for Labor Code violations (a clean-up to SB 796 of 2003 and became part of the State Budget negotiations); and SB 1840 (Denham) updates California's bovine TB requirements and restrictions to be in statutory compliance with the United States Department of Agriculture.

Assembly state government bills enacted into law include: AB 664 (Lowenthal) establishes civil and criminal penalties for unemployment insurance tax avoidance schemes; AB 1079 (Bermudez) allows designated persons other than a vehicle owner to

authorize vehicle repairs; AB 1145 (Shirley Horton) places automated external defibrillators in state buildings; AB 1155 (Liu) requires educational requirements for private professional conservators and guardians; AB 1306 (Cohn) re-authorizes the California Welcome Centers to promote tourism; AB 1643 (Ridley-Thomas) requires the Employment Development Department to conduct a study on specified employee independent contractor issues relating to small business; AB 1721 (Koretz) prohibits an entity to overcharge products that are posted; AB 1793 (Yee) requires video game retailers to post signs regarding availability to video game ratings; AB 1810 (Frommer) requires non-financial institution's ATMs to be registered; AB 2404 (Steinberg) extends existing law requiring equal access in state school sports to all local governments sports programs; AB 2565 (Parra) requires that the strategic plan originally prepared by the California Defense Retention and Conversion Council as it existed in 1998 be updated; AB 2591 (Leno) strengthens the enforcement authority of local governments in the regulation of charter-party carriers; AB 2691 (Correa) strengthens the law concerning bonding requirements of immigration consultants; AB 2719 (Laird) establishes that all records held by the State Archives be accessible to the public no later than 75 years after they were created; AB 3078 (Assembly Judiciary Committee) permits an emancipated minor to be a party to a small claims action; and AB 3092 (Jerome Horton) increases the fines for not complying with the posting of the Stop Tobacco Licensing Act of 2003.

Bills enacted into law which were part of the State Department of Consumers Affairs "sunset review bills" package are as follows: SB 136, SB 1543, SB 1546, SB 1547, SB 1548, SB 1549, SB 1913, and SB 1914.